

CARIBBEAN E-OUTLOOK

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Helping small businesses
start, grow and succeed.



Your Small Business Resource

SBA APPLAUDS STIMULUS BILL, PLANNING UNDERWAY FOR BROADEST, QUICKEST SMALL BUSINESS IMPACT

The American Recovery and Reinvestment Act signed into law last month, contains a package of loan fee reductions, higher guarantees, new SBA programs, secondary market incentives, and enhancements to current SBA programs that will help unlock credit markets and begin economic recovery for the nation's small business sector.

"The tax incentives and credit stimulus elements of the Recovery Act will truly help

small business owners affected by the credit crunch, and will provide financing opportunities to help them create new jobs in their communities," said Acting SBA Administrator Darryl K. Hairston. "There's a lot to digest in the legislation, and SBA has established teams to tackle a wide variety of policy decisions, system modifications, regulatory changes, legal requirements, and new program launches authorized by the President and Congress."

The bill provides \$730 million to SBA and makes changes to the agency's lending and investment programs so that they can reach more small businesses that need help. It also authorizes refinancing for certain SBA loans so borrowers can expand their businesses on favorable terms, and expands leverage capability for Small Business Investment Companies.

"We are going to be part of the solution, and this bill gives us specific tools to make it easier and less expensive for small businesses to get loans, give lenders new incentives to make more loans, and help restore healthy SBA secondary markets to boost liquidity," Hairston added.

The stimulus bill takes a comprehensive approach and attacks sev-

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District Director José R. Sifontes (front and center) addresses Puerto Rico lenders on SBA provisions included in the American Recovery and Reinvestment Act of 2009, at roundtable held earlier this month in San Juan.

SBA Warns of Fraudulent Attempts to Obtain Bank Account Information from Small Businesses

The SBA has alerted small businesses, warning them not to respond to letters falsely claiming to have been sent by the SBA asking for bank account information in order to qualify them for federal tax rebates.

The fraudulent letters were sent out with what appears to be an SBA letterhead to small businesses across the country, advising recipients that they may be eligible for a tax rebate under the Economic Stimulus Act, and that SBA is assessing their eligibility for such a rebate. The letter asks the small business to provide the name of its bank and account number.

These letters have not been sent by or authorized by the SBA, and all small businesses are strongly advised not to respond to them.

The scheme is similar in many ways to e-mail scams often referred to as "phishing" that seek personal data and financial account information that enables another party to access and individual's bank accounts or to engage in identity theft.

The SBA is working with the SBA Office of Inspector General to investigate this matter. The Office of Inspector General asks that anyone who receives such a letter report it to the OIG Fraud Line at 1 (800) 767-0385, or e-mail at OIGHotline@sba.gov.

MESSAGE FROM THE DISTRICT DIRECTOR

They say time flies when you're having fun, and it must be true, because we have been so busy promoting the wellbeing of our small business community, we have barely



District Director José R. Sifontes

noticed our fiscal year is halfway over.

We are very optimistic about the upcoming months, as we begin to see the impact that changes in our loan programs are having on the islands we serve. Our district office staff continues reaching out to existing and potential entrepreneurs in underserved and disadvantaged areas, ensuring that no one is left behind as we further the path to economic recovery.

We hope that the news and information included in this issue of Caribbean E-Outlook proves to be helpful to you or someone you know. And, remember, the SBA is ready, willing and able to help make your small business dreams come true.

Until next time,

(Continued from page 1)

eral problems facing small businesses at once by reducing borrower fees, guaranteeing up to 90 percent of certain loans, expanding capacity in the Microloan program, providing a new Loan Stabilization program to help small businesses keep their doors open through economic hardship, as well as new mechanisms to help unfreeze the secondary markets for SBA-backed loans.

Declines in SBA lending volume last year, which are continuing in FY 2009, reflect prob-

lems in the broader credit markets, and present hurdles to small businesses that are seeking credit in the current economy.

The financial crisis has created a variety of conditions that impact small businesses, including a lack of liquidity in the banking system, a reluctance of many lenders to extend new loans, tightened credit standards, weaker finances at small businesses, and uncertainty about taking on new debt on the part of many entrepreneurs.

The Recovery Act addresses small busi-

nesses' lending problems, and addresses key investment and contracting issues. The bill helps Small Business Investment Companies better leverage investment capital to reach more small companies. It also increases the current contract limit for SBA's Surety Bond Guarantee program, which will help small businesses compete for contracts.

For more information on the Recovery Act, visit www.sba.gov/recovery/index.html or call 787-766-5572 in Puerto Rico or 340-778-5380 in the VI.

SBA TO CONDUCT FIFTH ANNUAL BUSINESS MATCHMAKING EVENT WITH PUERTO RICO COLLEGE OF ENGINEERS AND LAND SURVEYORS

The Puerto Rico and Virgin Islands District Office of the U.S. Small Business Administration and the Puerto Rico Professional College of Engineers and Land Surveyors (CIAPR by its Spanish acronym) will hold their Fifth Annual Business Matchmaking event on Friday, April 3, 2009 at CIAPR facilities in Hato Rey.

“Matchmaking events provide an ideal forum for small business owners to market their products and services to the federal government,” said SBA District Director José R. Sifontes. “During trying times, we must all work together in fostering the economic wellbeing of one of our most dynamic sectors – the small business community. The CIAPR has become an

instrumental partner in providing small firms with the necessary tools to increase their opportunities for growth.”

Aimed at facilitating face-to-face meetings between small firms and federal government purchasing representatives and contracting officers, this year’s event will also include educational sessions on SBA business

development and certification programs, as well as SBA provisions included in the American Recovery and Reinvestment Act of 2009.

“If there are two professional areas in which Puerto Rico offers a great wealth of talent, they are engineering and land-surveying,” said Engineer Antonio Medina, CIAPR president. “During these times, when it is necessary to jump-start the construction industry, this is an excellent opportunity for professionals and small businesses to expand their business portfolio, offering their talent to the federal government. We encourage all our members to take maximum advantage of this opportunity.”

Joining this year’s match-making event will be FEMA, the General Services Administration, the Department of Defense, the Federal Bureau of Prisons, the U.S. Department of Housing and Urban Development, the Department of Veterans Affairs, and the U.S. Army Corps of Engineers, among others.

The Fifth Annual Business Matchmaking, which is free of charge, will take place at #500 Antolin Nin St., in Hato Rey, starting at 8:00 a.m. For more information and to register, please call (787) 766-5420.

PR & U.S. VI LOAN PRODUCTION AS OF FEBRUARY 28, 2009

Lender / CDC	Loans	\$\$\$ Value
Banco Popular de Puerto Rico (includes VI)	43	\$3,082,200
Banco Santander Puerto Rico	16	\$1,198,000
PYMES Financial Partners*	14	\$4,895,000
FirstBank	9	\$1,535,700
Scotiabank Puerto Rico	9	\$852,000
Banco Bilbao Vizcaya Argentaria	8	\$1,194,000
Borrego Springs Bank, N.A.	4	\$200,000
COFECC*	3	\$744,000
Economic Development Bank for PR	3	\$704,500
PR Business Development Corp.*	3	\$518,000
Marketing Small Business Finance Corp.	2	\$547,000
Independence Bank	1	\$1,600,000
Superior Financial Group, LLC	1	\$7,500
TOTAL	116	\$17,077,900

* Indicates CDC

LUQUILLO RESTAURANT OWNER GETS A TASTE OF SUCCESS WITH SBA-GUARANTEED LOAN

It's four o'clock on a Wednesday afternoon. José Alvira says "hello" to a few regulars and climbs the steep staircase that will lead him to the second floor, where he asks the barmaid for a soda. He sits down, takes a look around and smiles.

"Were it not for the SBA and the help they gave me, it would have been very difficult to start this business," José declares.

Once manager of professional development at an international IT and business solutions provider, José had plenty of experience in sales, forecasting, budgeting and supervising employees. His idea was clear: to open a restaurant near his hometown of Luquillo, on the east coast of Puerto Rico. To dream was easy, but reality would take a little effort and even more financial backing.

Thumbing through a newspaper one day in 2004, José ran across an ad for the Puerto Rico Small Business and Technology Development

Center (SBTDC), who was promoting a course on how to start a small business in Puerto Rico. The SBTDC, administered by the Inter American University under cooperative agreement with the SBA, provides man-

services in the areas of business plan development, project cost determination and financial projections, and assisted him in preparing a loan proposal to the bank. Upon completing his sessions with the SBTDC, José had obtained an SBA-

modeled the business and had working capital. What he did not have, however, was much experience in the food industry. He turned to his friend and seasoned restaurant manager Eddie Olmedo for help; the two partnered up and within several months Don Pepe Restaurant was opening its doors with 10 employees.

Don Pepe Restaurant is located in the heart of Río Grande, minutes away from El Yunque rainforest and several four and five-star resorts.

Open Tuesdays through Sundays, it specializes in Puerto Rican and Mexican cuisine, from local rice and beans to tacos and fajitas. Five years after its opening, it provides employment for 18 people.

"Anyone who wants to get ahead will get ahead no matter what," José concludes as he gets ready for the crowd.



Río Grande Mayor Eduard Rivera (far right) presents Don Pepe Restaurant's José Alvira and Eddie Olmedo with a municipal proclamation in the company of SBA District Director José Sifontes (far left).

agement and technical assistance to aspiring and potential entrepreneurs. Every year, thousands of men and women like José visit an SBTDC office to get help with their business plans, marketing plans, viability and market studies and loan documentation, among many other services. The SBTDC provided José with consulting

guaranteed loan through Banco Bilbao Vizcaya Argentaria.

"I remember the bank manager asking 'is the SBA guaranteeing this loan? If so, we have nothing else to ask'," the entrepreneur says. "They know how meticulous the SBA is."

With the loan, José purchased equipment, re-